

~~SECRET/NOFORN DISSEMINATION~~

MEMORANDUM FOR THE FILES

February 11, 1969

During a long conversation at my home January 18, Carlos Dratowsky of the SNI talked about factionalism within the SNI, which has heightened since the Fifth Institutional Act, and of the implications for the USG of this factionalism. According to him, the splits are indicative of the broader splits within the Army. POL/R, which has primary responsibility for liaison with SNI, is unsure exactly what his position or role is with that service. In commenting on the material below, POL/R advises that Dratowsky obviously must be in some position of knowledge since he correctly identifies the principal players and their roles. However, POL/R does not agree with his attribution to the Nascimento faction of anti-Americanism and believes that the divisions he describes are more likely a question of outs versus ins, without any ideological tone.

According to Dratowsky, there is a strong division within the SNI between two competing extreme groups. The larger of these two factions is a radically nationalist, anti-American group led by Col. Assis de Nascimento, whom Dratowsky described as the Chief of the Central Agency of SNI. The smaller of the two extreme factions is a pro-American and zealously anti-communist group led by Lt. Col. Ary Vaz de Mello who is now an instructor at the ESAO Army School. Vaz de Mello is attempting to return to the SNI but faces resistance from the Nascimento group. In the center between these two factions is a much larger "moderate" group which derives its inspiration from Generals Portella and Medici. Its leaders are Lt. Cols. Moreira, Subchief of Operations of SNI, and Ancora and Mello, who are currently instructors at the Escola de Estado Maior. The Nascimento faction contains most of the radicals who want to make full use out of IA-5 and hope to turn it against the American presence in Brazil. So far the moderate and pro-American groups are working together and have been able to contain the more extremist plans of the Nascimento group.

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cc: Mr. Kubisch

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By Dm/Lm, NARA, Date 4/16/15

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MEMORANDUM FOR THE FILES

February 13, 1969

At the theater last night, Col. Otavio Costa told me that he had spent all of yesterday in a church retreat house in Gavesa meeting with church and business leaders and other military officers in an attempt to find a way out of the present political situation. This was one of a series of meetings in which the mornings are devoted to "palestras" by the participants and the afternoons are passed in debate. The meetings are sponsored by Dom Jose de Castro Pinto and involve Padre Adamo, Director of the Catholic Education Association and other members of the "bossa nova" line in the church. Officers from all three military services are attending. Among the businessmen participating are Roberto Campos, Otavio Bulhões, Rubens Costa of the Bank of the Northeast, and Mario Trindade of the National Housing Bank.

Costa seemed confident that this group would succeed in returning the country to political normality. He compared the military to the students in that at a time of crisis a small radical minority can dominate for a short time. He is an influential military intellectual and closely associated with Labor Minister Passarinho.

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